

# HOUSE . . . . . No. 2559

By Mr. Petersen of Marblehead, petition of Douglas W. Petersen and others for legislation to grant tax credits for the installation of energy efficiency measures in certain multi-family residential properties. Revenue.

## The Commonwealth of Massachusetts

### PETITION OF:

Douglas W. Petersen	Christine E. Canavan
Anthony J. Verga	Cory Atkins
Michael E. Festa	

In the Year Two Thousand and Five.

AN ACT TO PROMOTE ENERGY EFFICIENCY IN MULTI-FAMILY DWELLINGS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1     SECTION 1. Section 6 of Chapter 62 of the General Laws, as  
2     appearing in the 2002 Official Edition, is hereby amended by  
3     adding after line 263 the following:— (k) Any owner of multi-  
4     family residential property located in the commonwealth who is  
5     not a dependent of another taxpayer shall be allowed a credit  
6     equal to fifty percent of the net expenditure for the installation of  
7     eligible energy efficiency measures at such property. Such credit  
8     shall be taken by the eligible taxpayer in the tax year during  
9     which the installation of the eligible energy efficiency measures  
10    was completed. Any taxpayer entitled to this credit for any taxable  
11    year, the amount of which exceeds his total tax due for the then  
12    current taxable year, may carry over the excess amount, as  
13    reduced from year to year, and apply it to his tax liability for any  
14    one or more of the next succeeding three taxable years; provided,  
15    however, that in no taxable year may the amount of the credit  
16    allowed exceed the total tax due of the taxpayer for the relevant  
17    taxable year. Joint owners of a multi-family residential property  
18    shall share any credit available to the property under this subsec-  
19    tion in the same proportion as their ownership interest. Energy

20 efficiency measures eligible for the credit shall be determined by  
21 the commissioner of energy resources by regulations, and shall  
22 include, but not be limited to, the following: energy efficient  
23 heating, cooling and air conditioning units; energy efficient hot  
24 water heaters; energy efficient heat pumps; fuel cells; energy effi-  
25 cient appliances; and energy efficient lighting and other measures  
26 designed to save electricity. Eligible energy efficiency measures  
27 must meet performance and quality standards prescribed by the  
28 commissioner of energy resources by regulation; and which are in  
29 effect at the time of the installation of the measure. As used in this  
30 subsection, the following words shall have the following mean-  
31 ings: “Multi-family residential property”, a residential building or  
32 residential complex consisting of more than six separate residen-  
33 tial units owned by the same party or parties. “Net expenditure”,  
34 the total of the purchase price for any eligible energy efficiency  
35 measure, plus installation cost.

1 SECTION 2. Chapter 63 of the General Laws is hereby  
2 amended by inserting after section 38Q the following section:—  
3 Section 38R. (a) A domestic or foreign corporation subject to tax  
4 under this chapter that is the owner of a multi-family residential  
5 property located in the Commonwealth shall be allowed a credit  
6 equal to fifty percent of the net expenditure for the installation of  
7 eligible energy efficiency measures at such property. Such credit  
8 shall be taken by the eligible corporation in the tax year during  
9 which the installation of the eligible energy efficiency measures  
10 was completed. Any corporation entitled to this credit for any tax-  
11 able year, the amount of which exceeds its total tax due for the  
12 then current taxable year, may carry over the excess amount, as  
13 reduced from year to year, and apply it to its tax liability for any  
14 one or more of the next succeeding three taxable years; provided,  
15 however, that in no taxable year may the amount of the credit  
16 allowed exceed the total tax due of the corporation for the relevant  
17 taxable year. Joint owners of a multi-family residential property  
18 shall share any credit available to the property under this subsec-  
19 tion in the same proportion as their ownership interest. Energy  
20 efficiency measures eligible for the credit shall be determined by  
21 the commissioner of energy resources by regulations, and shall  
22 include, but not be limited to, the following: energy efficient

23 heating, cooling and air conditioning units; energy efficient hot  
24 water heaters; energy efficient heat pumps; fuel cells; energy effi-  
25 cient appliances; and energy efficient lighting and other measures  
26 designed to save electricity. Eligible energy efficiency measures  
27 must meet performance and quality standards prescribed by the  
28 commissioner of energy resources by regulation; and which are in  
29 effect at the time of the installation of the measure. As used in this  
30 subsection, the following words shall have the following mean-  
31 ings: “Multi-family residential property”, a residential building or  
32 residential complex consisting of more than six separate residen-  
33 tial units owned by the same entity or entities. “Net expenditure”,  
34 the total of the purchase price for any eligible energy efficiency  
35 measure, plus installation cost. The credit allowed by this section  
36 shall be subject to the provisions of section 32C of this chapter;  
37 provided, however, that the time period for carry-over of the tax  
38 credit shall be as outlined in this section. The credit allowed under  
39 this section shall not reduce the excise payable by said corpora-  
40 tion to less than the amount due pursuant to subsection (b) of  
41 section 32 or subsection (b) of section 39 or any other applicable  
42 section.

1 SECTION 3. The commissioner of energy resources shall  
2 establish a home energy rating system, enabling the owner of  
3 existing residential property, and requiring the developer or owner  
4 of newly constructed residential property, to obtain a rating of the  
5 property based upon its energy consumption characteristics, and  
6 an estimate of the cost of home improvements necessary to make  
7 the property energy-efficient. The commissioner shall encourage  
8 lending institutions to offer more favorable mortgage provisions  
9 for prospective buyers of homes whose ratings under this program  
10 reflect significant energy efficiency. The commissioner shall also  
11 encourage lending institutions to include in their mortgages the  
12 costs of home improvements that would increase energy effi-  
13 ciency. The commissioner shall coordinate this program with  
14 existing federal and state residential energy conservation pro-  
15 grams. The commissioner shall encourage the participation of  
16 lending institutions, real estate brokers and developers, and utili-  
17 ties, to promote the home energy rating system program. The  
18 commissioner shall also promulgate rules and regulations to  
19 implement the provisions of this section.